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-and-

Justin M. Mertz, Esq.
Wisconsin Bar No. 1056938
(Admitted *pro hac vice* July 20, 2023)
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Counsel for AVT Nevada, L.P.

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEVADA**

In re:

CASH CLOUD, INC.,
d/b/a COIN CLOUD,

Debtor.

Case No. BK-23-10423-mkn

Chapter 11

**DECLARATION OF JUSTIN M. MERTZ IN
SUPPORT OF AVT NEVADA, L.P.'S
OBJECTION TO DEBTOR'S MOTION TO
SURCHARGE**

I, Justin M. Mertz, hereby declare as follows in support of the *Objection to Debtor's Motion to Surcharge* (filed concurrently) by AVT Nevada L.P. ("AVT"):

1. I am an attorney with the law firm Michael Best & Friedrich LLP ("Michael Best"). I represent AVT in connection with these and other proceedings, and I make this *Declaration* in support of AVT's *Objection* to the above-caption Debtor's *Motion for Entry of an Order*

AVT'S OBJ. TO MOT. TO SURCHARGE

PAGE 1

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1 *Authorizing Debtor to Surcharge the Collateral of Genesis Global Holdco, LLC, Enigma*
 2 *Securities Limited, and AVT Nevada L.P.* [Dkt. 926] (the “**Surcharge Motion**”).

3 2. AVT timely filed its *Proof of Claim* [Claim 38] (the “**Claim**”) in the Debtor’s
 4 bankruptcy case on March 27, 2023. AVT’s Claim is for \$1,314,335.00 pursuant to a master lease
 5 agreement (the “**Master Lease**”) that AVT and the Debtor entered into in 2020. (*See* Claim 38, 2.)
 6 The Claim affirmatively sets forth that it is based on a lease. (*Id.*) And a true and correct copy
 7 Master Lease (along with certain other related agreements entered with the Master Lease, each of
 8 which are, together, the “**Master Lease**”) was submitted as an attachment to the Claim. (*See id.*,
 9 3-49.) The Claim indicates that AVT has ownership of 594 Bitcoin domestic kiosks¹ (the “**Leased**
 10 **Equipment**”) that it had leased to the Debtor.

11 3. Michael Best received notice of the Debtor’s *Motion for Entry of an Order: (A)*
 12 *Approving Auction and Bidding Procedures for Potential Plan Sponsors or the Purchase of*
 13 *Substantially All of the Debtor’s Assets; (B) Approving Form Notice to Be Provided to Interested*
 14 *Parties; and (C) Scheduling a Hearing to Consider Approval of the Highest and Best Transaction,*
 15 *Cure Objections, and Confirmation of the Proposed Toggle Plan* [Dkt. 392] (the “**Procedural**
 16 **Motion**”).

17 4. The Procedural Motion, filed on April 7, 2023, appeared to carve-out AVT from
 18 any proposed sale. Additionally, no representative of the Debtor contacted AVT or its counsel
 19 regarding the Procedural Motion (until after the auction had concluded). Nevertheless, to confirm
 20 whether AVT would be implicated in the event of an auction, I directed Mason A. Higgins, an
 21

22
 23 ¹ From time to time herein, the terms “**DCMs**” (digital currency machines) and “**BTMs**” (Bitcoin teller machines) are also used to discuss AVT’s property and the other kiosks which were sold through the Debtor’s sale.

1 attorney with Michael Best who has assisted with this matter, to contact Debtor's counsel and
2 inquire as to the Debtor's intentions for the Leased Equipment. He did so on May 25, 2023.

3 5. Debtor's counsel did not immediately reply to Mr. Higgins' correspondence,
4 causing him to send a follow-up request on May 31, 2023. This yielded only a promise that
5 Debtor's counsel would "[look] into this and get back to" Mr. Higgins. A true and correct copy of
6 Mr. Higgins' email correspondence with Debtor's counsel described in paragraphs 4-5 is attached
7 hereto as **Exhibit A**. I am copied on each of these messages.

8 6. After Debtor's counsel promised to "[look] into" the Debtor's intentions for the
9 Leased Equipment on May 31, 2023, Debtor's counsel was silent again until Sunday, June 4,
10 2023—two days after the auction—when Atty. Zach Williams informed me that a winning bid had
11 been selected "to purchase all of the DCMs" and asked to discuss "the AvTech lease."

12 7. In follow-up correspondence, Mr. Williams further stated that the winning bid
13 provided a blended purchase price of "about \$650" per DCM. Because AVT had not consented to
14 its property being included in the Debtor's sale, I immediately sought clarity that "the sale does
15 not currently include any of the AVT leased equipment." Nevertheless, after consulting with AVT,
16 I submitted a counterproposal on June 6, 2023 that, if AVT's DCMs were to be included in any
17 sale, AVT expected a return of approximately \$446,874, or "\$752 per unit for the 594 total units."
18 A true and correct copy of my email correspondence with Mr. Williams described in paragraphs
19 6-7 is attached hereto as **Exhibit B**.

20 8. Mr. Williams did not immediately respond to AVT's counterproposal but provided
21 on June 14 that "the way the sale proceeds are shaking out, AvTech would receive roughly 340k
22 for its 483 machines," which he noted translated to "\$703 per machine." Mr. Williams also
23 asserted, "[w]e have 0 ability to affect these numbers as the purchase price is already agreed to."

MERTZ DECLARATION

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MICHAEL BEST & FRIEDRICH LLP
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1 9. As I was out of the office, I directed Mr. Higgins to respond to Mr. Williams. He
2 did so that same day, seeking clarity: “Avtech owns 594 units (are you saying that the sale only
3 includes 483 machines, or are we disagreed as to how many are Avtech’s?). Does that number
4 bring your offer down to roughly \$592 per unit, or does it bring your offer up to roughly \$417k
5 total?” A true and correct copy of the correspondence described in paragraphs 8-9 is attached
6 hereto as **Exhibit C**. I was copied on each of these messages. This exchange marks the beginning
7 of the dispute resolving the correct number of AVT DCMs, which is not an issue for the Surcharge
8 Motion.

9 10. Mr. Williams circulated an email on June 16, 2023 which included certain proposed
10 terms attempting to secure AVT’s consent to include its DCMs in the Debtor’s sale. Mr. Higgins
11 unequivocally responded that, while AVT was amenable, in principle, to the terms Mr. Williams
12 had offered, **AVT was unwilling to consent** to a stipulation until the Debtor furnished
13 documentation supporting its contention that 111 AVT DCMs had been lost, could not be located,
14 or were otherwise unsellable. A true and correct copy of the correspondence described in this
15 paragraph is attached hereto as **Exhibit D**.

16 11. The Debtor furnished a list of the DCMs it knew to belong to AVT on June 20,
17 2023. Mr. Williams explained that “[t]he issue encountered is that there is no physical serial
18 number list . . . , which makes tracking the machines very difficult.” I responded that this was
19 insufficient to evidence that 111 of AVT DCMs had been lost, stolen, or destroyed, and reiterated
20 AVT’s position that it expected to be compensated for each of its 594 DCMs if it agreed to consent
21 to the sale. Thereafter, I furnished a list from AVT’s records which identifies each of the AVT
22 DCMs.

23
MERTZ DECLARATION

PAGE 4

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1 12. On June 27, during a call to discuss the matter as it stood, Mr. Williams informed
2 me that the true basis for the dispute regarding the number of AVT DCMs that could be sold
3 amounts to a discrepancy where the Debtor pledged certain DCMs, which AVT maintains that it
4 owned pursuant to the sale-leaseback agreement entered concurrently with the Master Lease, to
5 Enigma Securities Limited as collateral.

6 13. During that same call, Mr. Williams advised that the Debtor would be seeking to
7 surcharge certain fees and costs it incurred in connection with the sale against any AVT property
8 sold that was ultimately sold. Mr. Williams estimated that the Debtor would seek to surcharge a
9 total of \$300,000 of fees and expenses, and that because AVT owned approximately 12% of the
10 DCMs that could be included in the sale, the surcharge against AVT would be in the ballpark of
11 \$36,000 (which is 12% of \$300,000) if each of AVT's DCMs was sold.

12 14. Later on June 27, in follow-up correspondence, Mr. Williams changed his position
13 and stated that, based on the Debtor's distribution analysis, AVT would only receive a net amount
14 of \$300,000 (indicating a surcharge of at least approximately \$108,900—the recovery for the 483
15 units the Debtor and AVT agreed belonged to AVT less \$300,000) if its machines were included
16 in the sale. I was shocked by this development. That evening, I spent time reviewing all of the
17 materials and our conversations with Mr. Williams to date, and drafted a summary of AVT's
18 position as my reply to Mr. Williams.

19 15. My response was: **“AVT does not consent to the sale of its BTMs as part of the**
20 **Purchased Assets, does not consent to any surcharge or sale of its collateral (nor did we ever**
21 **understand our BTMs were being ‘sold’ through the sale process until after you reached out**
22 **this month), and objects to entry of a sale order that negatively affects AVTs interests in any**
23

1 way.” A true and correct copy of the email correspondence described in paragraphs 11-15 is
2 attached hereto as **Exhibit E**.

3 16. The following day, I appeared at the hearing on the Debtor’s *Amended Motion for*
4 *Order: (A) Confirming Auction Results; (B) Approving the Sale of Certain of Debtor’s Assets to*
5 *Heller Capital Group, LLC, and Genesis Coin, Inc., Free and Clear of Liens, Claims,*
6 *Encumbrances, and Other Interests; (C) Authorizing the Assumption and Assignment of Certain*
7 *of the Debtor’s Executory Contracts and Unexpired Leases Related Thereto; and (D) Granting*
8 *Related Relief* [Dkt. 730] (the “**Sale Motion**”) and objected to the Sale Motion insofar as it sought
9 to sell AVT’s collateral without its consent. That objection was overruled, and ultimately, AVT
10 did not appeal.

11 17. On June 29, 2023, the day after the hearing on the Sale Motion, I caused AVT’s
12 *Objection* to the Sale Motion to be filed.

13 18. Although AVT worked with the Debtor to find an amicable resolution to these
14 matters, at no time has AVT provided consent to the inclusion of its Leased Property in the
15 Debtor’s sale on the terms proposed by the Debtor. AVT was not involved with the proceedings
16 leading up to the sale. Indeed, AVT was not involved in these matters until after the auction.

17 19. AVT’s refusal to consent to the sale of its property was evidenced by at least Mr.
18 Higgins’ email to Debtor’s counsel on June 16, 2023 (Exhibit D), my correspondence on June 27,
19 2023 (Exhibit E), the arguments I offered during the hearing on the Sale Motion, and the arguments
20 contained in AVT’s *Objection* to the Sale Motion [Dkt. 730].

21 20. Additionally, concurrent with the relevant developments described above after June
22 1, 2023, Mr. Higgins and I were in parallel negotiations on AVT’s behalf with a third-party claims
23 purchaser who was interested in purchasing AVT’s DCMs and/or AVT’s *Proof of Claim*. These

MERTZ DECLARATION

PAGE 6

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Cottonwood Heights, UT 84121
Phone: 801.833.0500 Fax: 801.931.2500

1 negotiations reached their peak on June 27, 2023, when the claims purchaser produced an offer to
2 purchase AVT's DCMs for a total of \$450,000, or \$757.58 per machine if it was determined that
3 AVT could not sell all 594 of its DCMs. A true and correct copy of the claims purchaser's email
4 furnishing this offer is attached hereto as **Exhibit F**.

5 21. On June 28, 2023, the day after Mr. Higgins and I received the claims purchaser's
6 offer described in paragraph 20, the Court entered an oral ruling granting the Sale Motion, stalling
7 AVT's negotiations with the claims purchaser, and ultimately providing for the transfer of AVT's
8 DCMs to Heller Capital Group, LLC.

9
10 I declare, under penalty of perjury of the laws of the United States of America, that the
11 foregoing statements are true and correct to the best of my knowledge, information, and belief.

12
13 Dated: September 1, 2023.

/s/ Justin M. Mertz

By: Justin M. Mertz, Partner
Michael Best & Friedrich LLP

14
15 Counsel for AVT Nevada, L.P.
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17
18
19
20
21
22
23

EXHIBIT A

Higgins, Mason A (21705)

From: McPherson, Jeanette E. <JMcPherson@foxrothschild.com>
Sent: Wednesday, May 31, 2023 8:03 PM
To: Higgins, Mason A (21705); Axelrod, Brett
Cc: Mertz, Justin M (14972)
Subject: RE: In re Cash Cloud, Inc. (DBA Coin Cloud) (23-10423)

Follow Up Flag: Follow up
Flag Status: Completed

Hi Mr. Higgins,

We are looking into this and will get back to you.

Regards,
Jeanette

Jeanette McPherson

Partner

Fox Rothschild LLP

One Summerlin

1980 Festival Plaza Drive, Suite 700

Las Vegas, NV 89135

(702) 699-5923 - direct

(702) 597-5503 - fax

JMcPherson@foxrothschild.com

www.foxrothschild.com

From: Higgins, Mason A (21705) <mahiggins@michaelbest.com>
Sent: May 31, 2023 4:09 PM
To: Axelrod, Brett <BAxelrod@foxrothschild.com>; McPherson, Jeanette E. <JMcPherson@foxrothschild.com>
Cc: Mertz, Justin M (14972) <jmmertz@michaelbest.com>
Subject: [EXT] RE: In re Cash Cloud, Inc. (DBA Coin Cloud) (23-10423)

Counsel,

I am following up on my message from last week.

I would appreciate any insight you can offer regarding the Debtors' plans for AVT's equipment. If you would prefer to schedule a call to discuss, I would be happy to make the arrangements if you provide your availability.

Best,

Mason A. Higgins

Associate Attorney

Pronouns: He/Him/His/Himself

T 608.416.1705 | M 608.220.7341
mahiggins@michaelbest.com | bio



From: Higgins, Mason A (21705)
Sent: Thursday, May 25, 2023 2:29 PM
To: baxelrod@foxrothschild.com; JMcPherson@FoxRothschild.com
Cc: Mertz, Justin M (14972) <jmmertz@michaelbest.com>
Subject: In re Cash Cloud, Inc. (DBA Coin Cloud) (23-10423)

Counsel,

This firm represents AVT Nevada, L.P., a secured creditor [Claim No. 38] in the above-referenced proceeding. To offer some background, AVT provides lease equipment financing. In 2020, AVT and Cash Cloud entered into a Master Lease whereby AVT leased 594 Bitcoin kiosks to Cash Cloud. For your convenience, a copy of AVT's claim is attached here.

This message is to inquire about the Debtor's intentions for AVT's leased equipment.

I am aware that the Court has approved both rejection and abandonment procedures and bidding and sale procedures (I am also aware of the auction currently noticed and scheduled for June 2, 2023).

I would appreciate any insight you can offer as to the Debtor's plans for AVT's equipment. AVT holds properly perfected liens against all its leased equipment and is prepared to defend its rights whether by seeking adequate protection, moving for relief from the automatic stay, or contesting its treatment in the event of a sale, but would prefer to reach a mutually agreeable resolution without litigation.

Best,

Mason A. Higgins

Associate Attorney
Pronouns: He/Him/His/Himself
T 608.416.1705 | M 608.220.7341
mahiggins@michaelbest.com | bio



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EXHIBIT B

Mertz, Justin M (14972)

From: Mertz, Justin M (14972)
Sent: Tuesday, June 6, 2023 10:06 PM
To: Williams, Zachary
Subject: RE: Cash Cloud Inc. - AvTech Lease

Zach -

I was able to connect with AVT on their expectations for the units. As I said, the initial takeaway was that the units could be sold for closer to \$1,000/unit. But we understand that perhaps the market has changed recently in light of the market conditions, so AVT is willing to adjust accordingly.

At this stage, AVT would like to see a total recovery of 34% of its filed claim. That equates to an aggregate payment of \$446,874 (or appx. \$752 per unit for the 594 total units). If this is acceptable to the purchaser, this recovery can be accepted by AVT without additional approvals needed.

We look forward to hearing from you.

Justin M. Mertz

Partner
Sub-Group Leader, Bankruptcy
T 414.225.4972 | M 414.477.7861
jmmertz@michaelbest.com | bio



From: Williams, Zachary <ZWilliams@foxrothschild.com>
Sent: Tuesday, June 6, 2023 2:17 PM
To: Mertz, Justin M (14972) <jmmertz@michaelbest.com>
Subject: RE: Cash Cloud Inc. - AvTech Lease

Are you available for a quick call to discuss?

Zach Williams

Associate

Fox Rothschild LLP

One Summerlin
1980 Festival Plaza Drive, Suite 700
Las Vegas, NV 89135
(702) 427-2975 - Cell
(702) 699-5917 - Office
(702) 597-5503 - fax

ZWilliams@foxrothschild.com

www.foxrothschild.com

From: Mertz, Justin M (14972) <jmmertz@michaelbest.com>

Sent: June 6, 2023 11:50 AM

To: Williams, Zachary <ZWilliams@foxrothschild.com>

Subject: [EXT] RE: Cash Cloud Inc. - AvTech Lease

Ok. And, for clarity, the sale does not currently include any of the AVT leased equipment? Instead, the debtor is proposing to broker the sale of the 594 AVT units to the same buyer, and that potential price would be in addition to the \$4.2M, correct?

Justin M. Mertz

Partner

Sub-Group Leader, Bankruptcy

T 414.225.4972 | M 414.477.7861

jmmertz@michaelbest.com | bio



Michael Best & Friedrich LLP · A LexMundi Member

From: Williams, Zachary <ZWilliams@foxrothschild.com>

Sent: Tuesday, June 6, 2023 1:47 PM

To: Mertz, Justin M (14972) <jmmertz@michaelbest.com>

Subject: RE: Cash Cloud Inc. - AvTech Lease

The APAs will not be done for a couple of days. They will be a straight cash deal, as is where is, on the machine side for \$4.2mm. About \$750,000 for machines not currently deployed, with the remainder being for the machines that are deployed. All in all, it's a blended rate of about \$650 per machine.

Thanks,

Zach Williams

Associate

Fox Rothschild LLP

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1980 Festival Plaza Drive, Suite 700

Las Vegas, NV 89135

(702) 427-2975 - Cell

(702) 699-5917 - Office

(702) 597-5503 - fax

ZWilliams@foxrothschild.com

www.foxrothschild.com

From: Mertz, Justin M (14972) <jmmertz@michaelbest.com>

Sent: June 6, 2023 11:44 AM

To: Williams, Zachary <ZWilliams@foxrothschild.com>

Subject: [EXT] RE: Cash Cloud Inc. - AvTech Lease

Zach -

Can you provide the APA for the winning bidder? I don't see that on the docket. Thanks.

Justin M. Mertz

Partner

Sub-Group Leader, Bankruptcy

T 414.225.4972 | M 414.477.7861

jmmertz@michaelbest.com | bio



• A LexMundi Member

From: Williams, Zachary <ZWilliams@foxrothschild.com>

Sent: Sunday, June 4, 2023 3:49 PM

To: Mertz, Justin M (14972) <jmmertz@michaelbest.com>

Cc: Axelrod, Brett <BAxelrod@foxrothschild.com>; Tanner James <tjames@provincefirm.com>; Daniel Moses <dmoses@provincefirm.com>; Noll, Audrey <anoll@foxrothschild.com>; Chlum, Patricia M. <pchlum@foxrothschild.com>

Subject: Cash Cloud Inc. - AvTech Lease

Hi Justin,

As you may know, Cash Cloud conducted an auction this past Friday and selected a winning bid proposing to purchase all DCMs. Do you have availability tomorrow to discuss the AvTech lease and machines?

I have availability at 10:00 or 11:00 am PST, or any time after 1:00 pm PST.

Thanks,

Zach Williams

Associate

Fox Rothschild LLP

One Summerlin

1980 Festival Plaza Drive, Suite 700

Las Vegas, NV 89135

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(702) 699-5917 - Office

(702) 597-5503 - fax

ZWilliams@foxrothschild.com

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EXHIBIT C

Mertz, Justin M (14972)

From: Higgins, Mason A (21705)
Sent: Wednesday, June 14, 2023 3:51 PM
To: Williams, Zachary
Cc: Axelrod, Brett; Mertz, Justin M (14972)
Subject: RE: Cash Cloud Inc. - AvTech Lease
Attachments: AVT - Claim No. 38 (Cash Cloud) - 35063449.1.pdf

Hi Zach,

I'm working on getting in touch with Avtech to discuss. But, in the meantime, please help me understand your proposal:

Avtech owns 594 units (are you saying that the sale only includes 483 machines, or are we disagreed as to how many are Avtech's?). Does that number bring your offer down to roughly \$592 per unit, or does it bring your offer up to roughly \$417k total?

Also, Avtech's claim [Claim 38] is already filed as secured. To help make sure we're on the same page, a copy of our proof of claim is attached.

Best,

Mason A. Higgins

Associate Attorney

Pronouns: He/Him/His/Himself

T 608.416.1705 | M 608.220.7341

mahiggins@michaelbest.com | bio



Michael Best & Friedrich LLP

• A LexMundi Member

From: Williams, Zachary <ZWilliams@foxrothschild.com>
Sent: Wednesday, June 14, 2023 3:32 PM
To: Mertz, Justin M (14972) <jmmertz@michaelbest.com>
Cc: Higgins, Mason A (21705) <mahiggins@michaelbest.com>; Axelrod, Brett <BAxelrod@foxrothschild.com>
Subject: RE: Cash Cloud Inc. - AvTech Lease

Thanks Justin. Mason please let us know.

Zach Williams

Associate

Fox Rothschild LLP

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1980 Festival Plaza Drive, Suite 700

Las Vegas, NV 89135

(702) 427-2975 - Cell
(702) 699-5917 - Office
(702) 597-5503 - fax
ZWilliams@foxrothschild.com
www.foxrothschild.com

From: Mertz, Justin M (14972) <jmmertz@michaelbest.com>
Sent: June 14, 2023 1:31 PM
To: Williams, Zachary <ZWilliams@foxrothschild.com>
Cc: Higgins, Mason A (21705) <mahiggins@michaelbest.com>; Axelrod, Brett <BAxelrod@foxrothschild.com>
Subject: [EXT] Re: Cash Cloud Inc. - AvTech Lease

We are trying to connect with AVT on this. I'm also OOO, so please work with Mason Higgins today on this.

Justin Mertz
Partner
Michael Best & Friedrich LLP
414.225.4972

On Jun 14, 2023, at 13:08, Williams, Zachary <ZWilliams@foxrothschild.com> wrote:

Justin we are rapidly trying to close the sale today. Do you have time for a call to discuss? The way the sale proceeds are shaking out, AvTech would receive roughly 340k for its 483 machines (this is our count). That translates to roughly \$703 per machine. We have 0 ability to affect these numbers as the purchase price is already agreed to. Let me know if you have any time this afternoon to discuss.

If this works for your client please let us know today, and file a revised proof of claim indicating your secured status.

Thanks,

Zach Williams
Associate
Fox Rothschild LLP
One Summerlin
1980 Festival Plaza Drive, Suite 700
Las Vegas, NV 89135
(702) 427-2975 - Cell
(702) 699-5917 - Office
(702) 597-5503 - fax
ZWilliams@foxrothschild.com
www.foxrothschild.com

From: Mertz, Justin M (14972) <jmmertz@michaelbest.com>
Sent: June 12, 2023 10:22 AM
To: Williams, Zachary <ZWilliams@foxrothschild.com>
Cc: Higgins, Mason A (21705) <mahiggins@michaelbest.com>
Subject: [EXT] RE: Cash Cloud Inc. - AvTech Lease

EXHIBIT D

Mertz, Justin M (14972)

From: Higgins, Mason A (21705)
Sent: Tuesday, June 20, 2023 4:45 PM
To: Williams, Zachary
Cc: Axelrod, Brett; Tanner James; Daniel Moses; Chlum, Patricia M.; Mertz, Justin M (14972)
Subject: RE: Cash Cloud Inc. - AvTech Lease

Hi Zach,

Thank you for following up and our apologies for the delay.

Generally speaking, Avtech is amenable to the terms you've outlined below. However, before it is willing to give consent to execute a stipulation, Avtech is asking to see documentation supporting your contention that 111 machines have been lost, cannot be found, or are otherwise unsellable.

Please send me what you have to substantiate this, and I will forward.

Best,

Mason A. Higgins

Associate Attorney

Pronouns: He/Him/His/Himself

T 608.416.1705 | M 608.220.7341

mahiggins@michaelbest.com | bio



• A LexMundi Member

From: Williams, Zachary <ZWilliams@foxrothschild.com>

Sent: Tuesday, June 20, 2023 12:04 PM

To: Mertz, Justin M (14972) <jmmertz@michaelbest.com>

Cc: Higgins, Mason A (21705) <mahiggins@michaelbest.com>; Axelrod, Brett <BAxelrod@foxrothschild.com>; Tanner James <tjames@provincefirm.com>; Daniel Moses <dmoses@provincefirm.com>; Chlum, Patricia M. <pchlum@foxrothschild.com>

Subject: RE: Cash Cloud Inc. - AvTech Lease

Hi Justin and Mason,

Just following up on this.

Thanks,

Zach Williams

Associate

Fox Rothschild LLP

One Summerlin
1980 Festival Plaza Drive, Suite 700
Las Vegas, NV 89135
(702) 427-2975 - Cell
(702) 699-5917 - Office
(702) 597-5503 - fax
ZWilliams@foxrothschild.com
www.foxrothschild.com

From: Williams, Zachary

Sent: June 16, 2023 4:22 PM

To: Mertz, Justin M (14972) <jmmertz@michaelbest.com>

Cc: Higgins, Mason A (21705) <mahiggins@michaelbest.com>; Axelrod, Brett <BAxelrod@foxrothschild.com>; Tanner James <tjames@provincefirm.com>; Daniel Moses <dmoses@provincefirm.com>; Chlum, Patricia M. <pchlum@foxrothschild.com>

Subject: RE: Cash Cloud Inc. - AvTech Lease

Justin and Mason,

We are going to prepare a stipulation outlining the terms of what has been discussed this week. Can you please confirm the below terms reflect the understanding between our clients:

- AVT NV consents to allow Debtor to include AVT machines in its sale to Heller Capital, and agrees that it will not sell its claim or assign its interests in the Master Agreement between the parties to any other party, unless that party also provides consent to have the machines included in the sale to Heller Capital
- Prior to the Sale Hearing, AVT and Debtor will determine, and mutually agree upon, the total number of warehoused and deployed machines in existence
- AVT NV will receive proceeds from the sale, according to its lien priority, for its machines at a blended rate of approximately \$700 (depending on final count of warehoused and deployed machines). AVT NV will get a full disclosure and breakdown of the sale proceeds analysis upon agreement of the total number of machines.
- Proceeds from the sale will be provided in satisfaction of the secured portion of the AVT NV claim like all of the other secured creditors, with the balance becoming an unsecured claim, again like the other unsecured creditors.

Please send me an email back with anything im missing and confirming that these are the agreed upon and acceptable terms of the deal.

Thanks,

Zach Williams

Associate

Fox Rothschild LLP

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1980 Festival Plaza Drive, Suite 700
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(702) 597-5503 - fax
ZWilliams@foxrothschild.com
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EXHIBIT E

Mertz, Justin M (14972)

From: Mertz, Justin M (14972)
Sent: Tuesday, June 27, 2023 9:40 PM
To: Williams, Zachary; Higgins, Mason A (21705)
Cc: Axelrod, Brett; Tanner James; Daniel Moses; Chlum, Patricia M.
Subject: RE: Cash Cloud Inc. - AvTech Lease

At this stage I need to recap our understanding of the situation based on our communications with you, as there is apparently now a large gap in the terms of what were proposed.

AVT asserts ownership of 594 BTMs. Three weeks ago you reached out to me to see whether AVT would agree to sell its BTMs as part of the package deal to the buyer group. We asked for details about the APA and transaction, but only received a general statement that a blended rate of around \$650 per machine would be paid. Later on June 14, you stated that the price per machine was more like \$703 per unit, but that you could only account for 483 units. You indicated that if there were more units, AVT would receive a larger share.

On June 16, you then proposed a stipulation that AVT would consent to the sale provided that "AVT will receive proceeds from the sale, according to its lien priority, for its machines at a blended rate of approximately \$700 . . ." and that we would get a full breakdown of the sale proceeds analysis upon agreement of the total number of machines (which we have not received). We asked for documentation on the 111 unit disconnect, and only received details on that information today – which is that apparently Enigma claims those units as its own collateral because it manipulated the kiosk identification information.

With that said, the Debtor's records indicate that 483 are not subject to some dispute by Enigma. Of those 483 units, 369 are deployed (i.e., will be allocated a purchase price of \$1,000 ea.) and 114 are warehoused (i.e. will be allocated a purchase price of \$350 ea.).

So the proceeds we expected to receive for the 483 undisputed units totals \$408,900.

Of the 111 remaining units, AVT does not know how many are deployed or warehoused (it sounded like you may have that information, but could not share it yet). If all of those are warehoused, an additional allocation of \$38,850 (111 x 350) would come to AVT. If all of those units are deployed, an additional allocation of \$111,000 (111 x 1000) would come to AVT.

Therefore, we understand that the range of proceeds that AVT would receive through this sale would thus be **\$447,750 - \$519,900**, depending on what portion of the remaining 111 units is deployed.

Today, you also informed me that the Estate intends on seeking of 506(c) surcharge against the property to be sold. I understand that potential amount to be around \$300,000 total (for all 5,000 units, not just AVT's 594 units). Generally, I would expect that some portion of any surcharge would be proportionately split across the collateral units, which would result in AVT paying for about 11.88% (594 AVT units/5000 total units) of any sale surcharge. So, appx. \$35,640 of a surcharge would be borne by AVT, perhaps a little more or a little less.

After a phone call with AVT this afternoon to explain all of the above information, the consensus was that, despite AVT's position that it owns the BTMs and leases them to the Debtor, AVT would nonetheless acquiesce to the proposed transaction provided that the general financial recitations above held true. AVT's interests would attach to the sales proceeds and AVT would likely need to resolve the dispute regarding the

111 units that both AVT and Enigma claim an interest in. But either way, without the 111 units, AVT would at least receive \$408,900 for the undisputed 483 units.

However, based on your email below, there appears to be a disconnect. First, AVT does not consent to any other lender being paid from the sale of its BTMs. If the DIP Lender is being paid prior to the closing from other funds, then perhaps there is no issue there. Second, what basis would the Debtor/brokers have to assert a commission against the AVT BTMs that are not owned by the Debtor?

Moreover, if you are now telling us that AVT should expect only \$300,000 of net proceeds from the sale, then I certainly do not have AVT's consent to the proposed transaction. Your communication and our understanding throughout this process was that AVT's payouts would not be subject to reductions as you now seem to be proposing. What other expenses is the Debtor proposing to pay? What basis would the Debtor have to deduct such amounts against property that is not even owned by the Debtor? Please help me understand the details, and hopefully these are just issues that can be resolved.

Without further information and clarification, AVT does not consent to the sale of its BTMs as part of the Purchased Assets, does not consent to any surcharge or sale of its collateral (nor did we ever understand our BTMs were being "sold" through the sale process until after you reached out this month), and objects to entry of a sale order that negatively affects AVT's interests in any way.

Please advise.

Justin M. Mertz

Partner

Sub-Group Leader, Bankruptcy

T 414.225.4972 | M 414.477.7861

jmmertz@michaelbest.com | bio



Michael Best & Friedrich LLP · A LexMundi Member

From: Williams, Zachary <ZWilliams@foxrothschild.com>

Sent: Tuesday, June 27, 2023 5:11 PM

To: Mertz, Justin M (14972) <jmmertz@michaelbest.com>; Higgins, Mason A (21705) <mahiggins@michaelbest.com>

Cc: Axelrod, Brett <BAxelrod@foxrothschild.com>; Tanner James <tjames@provincefirm.com>; Daniel Moses <dmoses@provincefirm.com>; Chlum, Patricia M. <pchlum@foxrothschild.com>

Subject: RE: Cash Cloud Inc. - AvTech Lease

Justin,

Attached is the current version of the APA that has been agreed to by the Buyer and Seller. You are correct in that there are other liabilities. We fully expect the DIP lender to be paid before the sale closing, and the break-up fee will be paid to RocketCoin from sale proceeds. Based on our current drafts of the distribution analysis we estimate approximately \$300k allocated to be distributed to AVT Nevada. The financial advisors are still working on the analysis, so we will let you know when we have a final version of that analysis so we can confirm the exact number.

I called and left you a message. I am around this evening if you would like to discuss.

Thanks,

Zach Williams

Associate

Fox Rothschild LLP

One Summerlin

1980 Festival Plaza Drive, Suite 700

Las Vegas, NV 89135

(702) 427-2975 - Cell

(702) 699-5917 - Office

(702) 597-5503 - fax

ZWilliams@foxrothschild.com

www.foxrothschild.com

From: Mertz, Justin M (14972) <jmmertz@michaelbest.com>

Sent: June 27, 2023 1:15 PM

To: Williams, Zachary <ZWilliams@foxrothschild.com>; Higgins, Mason A (21705) <mahiggins@michaelbest.com>

Cc: Axelrod, Brett <BAxelrod@foxrothschild.com>; Tanner James <tjames@provincefirm.com>; Daniel Moses <dmoses@provincefirm.com>; Chlum, Patricia M. <pchlum@foxrothschild.com>

Subject: [EXT] RE: Cash Cloud Inc. - AvTech Lease

Zach –

Please send the APAs over for our review.

You indicated that the proceeds allocated to the appx. 5,000 units is \$4.2M. But the Sale Order references other liabilities that need to be paid, including at least the DIP Loan, the Break-Up Fee, and any commissions for the auction.

So, by the time you get to the distributions in paragraph 16 of the Order (to Enigma, Genesis, and AVT), how much is left? If, as you say, Enigma and AVT may have to resolve the 111 duplicated units, then we need to understand the amount of money that is left to fight about. Is it the \$4.2M or is it something less?

Justin M. Mertz

Partner

Sub-Group Leader, Bankruptcy

T 414.225.4972 | M 414.477.7861

jmmertz@michaelbest.com | bio



• A LexMundi Member

Michael Best & Friedrich LLP

From: Williams, Zachary <ZWilliams@foxrothschild.com>

Sent: Tuesday, June 27, 2023 11:05 AM

To: Mertz, Justin M (14972) <jmmertz@michaelbest.com>; Higgins, Mason A (21705) <mahiggins@michaelbest.com>

Cc: Axelrod, Brett <BAxelrod@foxrothschild.com>; Tanner James <tjames@provincefirm.com>; Daniel Moses

<dmoses@provincefirm.com>; Chlum, Patricia M. <pchlum@foxrothschild.com>

Subject: RE: Cash Cloud Inc. - AvTech Lease

Justin,

See the attached Sale Order. I'm around today to the extent we need to speak further. The Sale Hearing is tomorrow at 10:30 am. PST. To the extent your client can provide the schedule described in the attached UCC-1 please do so. As we discussed, a key issue here in terms of distribution of proceeds will be each of the secureds showing proof as to which machines are collateralized.

Thanks,

Zach Williams

Associate

Fox Rothschild LLP

One Summerlin

1980 Festival Plaza Drive, Suite 700

Las Vegas, NV 89135

(702) 427-2975 - Cell

(702) 699-5917 - Office

(702) 597-5503 - fax

ZWilliams@foxrothschild.com

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From: Mertz, Justin M (14972) <jmmertz@michaelbest.com>

Sent: June 27, 2023 7:05 AM

To: Williams, Zachary <ZWilliams@foxrothschild.com>; Higgins, Mason A (21705) <mahiggins@michaelbest.com>

Cc: Axelrod, Brett <BAxelrod@foxrothschild.com>; Tanner James <tjames@provincefirm.com>; Daniel Moses <dmoses@provincefirm.com>; Chlum, Patricia M. <pchlum@foxrothschild.com>

Subject: [EXT] RE: Cash Cloud Inc. - AvTech Lease

I'm at my desk right now until 9:30 CST. Then open again at 10-11 CST.

Justin M. Mertz

Partner

Sub-Group Leader, Bankruptcy

T 414.225.4972 | M 414.477.7861

jmmertz@michaelbest.com | bio



Michael Best & Friedrich LLP · A LexMundi Member

From: Williams, Zachary <ZWilliams@foxrothschild.com>

Sent: Monday, June 26, 2023 6:53 PM

To: Mertz, Justin M (14972) <jmmertz@michaelbest.com>; Higgins, Mason A (21705) <mahiggins@michaelbest.com>

Cc: Axelrod, Brett <BAxelrod@foxrothschild.com>; Tanner James <tjames@provincefirm.com>; Daniel Moses

<dmoses@provincefirm.com>; Chlum, Patricia M. <pchlum@foxrothschild.com>

Subject: RE: Cash Cloud Inc. - AvTech Lease

Justin,

Do you have availability to discuss tomorrow morning?

Thanks,

Zach Williams

Associate

Fox Rothschild LLP

One Summerlin

1980 Festival Plaza Drive, Suite 700

Las Vegas, NV 89135

(702) 427-2975 - Cell

(702) 699-5917 - Office

(702) 597-5503 - fax

ZWilliams@foxrothschild.com

www.foxrothschild.com

From: Mertz, Justin M (14972) <jmmertz@michaelbest.com>

Sent: June 26, 2023 11:36 AM

To: Williams, Zachary <ZWilliams@foxrothschild.com>; Higgins, Mason A (21705) <mahiggins@michaelbest.com>

Cc: Axelrod, Brett <BAxelrod@foxrothschild.com>; Tanner James <tjames@provincefirm.com>; Daniel Moses <dmoses@provincefirm.com>; Chlum, Patricia M. <pchlum@foxrothschild.com>

Subject: [EXT] RE: Cash Cloud Inc. - AvTech Lease

Zach -

Attached is the list of assets.

Justin M. Mertz

Partner

Sub-Group Leader, Bankruptcy

T 414.225.4972 | M 414.477.7861

jmmertz@michaelbest.com | bio



Michael Best & Friedrich LLP

From: Williams, Zachary <ZWilliams@foxrothschild.com>

Sent: Friday, June 23, 2023 1:20 PM

To: Mertz, Justin M (14972) <jmmertz@michaelbest.com>; Higgins, Mason A (21705) <mahiggins@michaelbest.com>

Cc: Axelrod, Brett <BAxelrod@foxrothschild.com>; Tanner James <tjames@provincefirm.com>; Daniel Moses <dmoses@provincefirm.com>; Chlum, Patricia M. <pchlum@foxrothschild.com>

Subject: RE: Cash Cloud Inc. - AvTech Lease

Hi Justin,

Can you provide us a list of the hardware serial numbers your client has?

Thanks,

Zach Williams

Associate

Fox Rothschild LLP

One Summerlin

1980 Festival Plaza Drive, Suite 700

Las Vegas, NV 89135

(702) 427-2975 - Cell

(702) 699-5917 - Office

(702) 597-5503 - fax

ZWilliams@foxrothschild.com

www.foxrothschild.com

From: Mertz, Justin M (14972) <jmmertz@michaelbest.com>

Sent: June 22, 2023 5:57 PM

To: Williams, Zachary <ZWilliams@foxrothschild.com>; Higgins, Mason A (21705) <mahiggins@michaelbest.com>

Cc: Axelrod, Brett <BAxelrod@foxrothschild.com>; Tanner James <tjames@provincefirm.com>; Daniel Moses <dmoses@provincefirm.com>; Chlum, Patricia M. <pchlum@foxrothschild.com>

Subject: [EXT] RE: Cash Cloud Inc. - AvTech Lease

Sorry for the delay.

We have reviewed the spreadsheets, but they do not seem to provide an answer to the issue at hand.

Avtech purchased no less than 594 BTMs and leased them to the Debtor. That is evident based on our records, invoices, and lease agreements that were filed with Avtech's proof of claim. Your spreadsheet appears to simply be a listing of some portion of the BTMs that the Debtor has accounted for. That does not mean that some portion of Avtech's BTMs do not exist; rather, it seems that the Debtor has just failed to maintain proper records. But that is not Avtech's fault, and Avtech is not willing to suffer a loss simply because the Debtor's records are incomplete.

What we would need to see is evidence that, in fact, 111 machines have been lost, stolen, destroyed, etc. Otherwise, Avtech can only assume that the Debtor still has those – whether deployed in the field or otherwise in a warehouse somewhere. As such, Avtech should be compensated for them, and it is not going to simply consent to some lower amount without detailed back up information.

While Avtech is amenable to a global price per unit of \$1,000 for deployed units and \$350 for warehoused units (assuming that this is not lower than what is being paid for other similarly situated BTMs), the expectation is that because the Debtor holds an aggregate number of 594 units, the total sum to be paid to satisfy Avtech's secured claim should be no less than \$447,750 (calculated based on the breakdown we know so far), which must be adjusted upwards for any additional BTMs that are found to be deployed.

If we are missing anything regarding the information you provided, please let us know. Otherwise, provided the Debtor (and purchaser) agree to this assessment, Avtech is be amenable to proceed.

Justin

Justin M. Mertz

Partner

Sub-Group Leader, Bankruptcy

T 414.225.4972 | M 414.477.7861

jmmertz@michaelbest.com | bio



• A LexMundi Member

From: Williams, Zachary <ZWilliams@foxrothschild.com>

Sent: Thursday, June 22, 2023 6:56 PM

To: Higgins, Mason A (21705) <mahiggins@michaelbest.com>

Cc: Axelrod, Brett <BAxelrod@foxrothschild.com>; Tanner James <tjames@provincefirm.com>; Daniel Moses <dmoses@provincefirm.com>; Chlum, Patricia M. <pchlum@foxrothschild.com>; Mertz, Justin M (14972) <jmmertz@michaelbest.com>

Subject: RE: Cash Cloud Inc. - AvTech Lease

Mason just following up on this. Thanks

Zach Williams

Associate

Fox Rothschild LLP

One Summerlin

1980 Festival Plaza Drive, Suite 700

Las Vegas, NV 89135

(702) 427-2975 - Cell

(702) 699-5917 - Office

(702) 597-5503 - fax

ZWilliams@foxrothschild.com

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From: Williams, Zachary <ZWilliams@foxrothschild.com>

Sent: June 21, 2023 8:19 AM

To: Higgins, Mason A (21705) <mahiggins@michaelbest.com>

Cc: Axelrod, Brett <BAxelrod@foxrothschild.com>; Tanner James <tjames@provincefirm.com>; Daniel Moses <dmoses@provincefirm.com>; Chlum, Patricia M. <pchlum@foxrothschild.com>; Mertz, Justin M (14972) <jmmertz@michaelbest.com>

Subject: Re: Cash Cloud Inc. - AvTech Lease

Thanks Mason.

From: Higgins, Mason A (21705) <mahiggins@michaelbest.com>

Sent: Wednesday, June 21, 2023 8:16:23 AM

To: Williams, Zachary <ZWilliams@foxrothschild.com>

Cc: Axelrod, Brett <BAxelrod@foxrothschild.com>; Tanner James <tjames@provincefirm.com>; Daniel Moses <dmoses@provincefirm.com>; Chlum, Patricia M. <pchlum@foxrothschild.com>; Mertz, Justin M (14972) <jmmertz@michaelbest.com>

Subject: [EXT] RE: Cash Cloud Inc. - AvTech Lease

Thanks, Zach.

We've shared with Avtech and asked them to review.

Best,

Mason A. Higgins

Associate Attorney

Pronouns: He/Him/His/Himself

T 608.416.1705 | M 608.220.7341

mahiggins@michaelbest.com | bio



From: Williams, Zachary <ZWilliams@foxrothschild.com>

Sent: Tuesday, June 20, 2023 5:38 PM

To: Higgins, Mason A (21705) <mahiggins@michaelbest.com>

Cc: Axelrod, Brett <BAxelrod@foxrothschild.com>; Tanner James <tjames@provincefirm.com>; Daniel Moses <dmoses@provincefirm.com>; Chlum, Patricia M. <pchlum@foxrothschild.com>; Mertz, Justin M (14972) <jmmertz@michaelbest.com>

Subject: RE: Cash Cloud Inc. - AvTech Lease

Mason,

Please see the attached, which contain the Debtor's records. According to our records there are 369 machines in the field, and 114 machines in the Debtor's warehouses. The issue encountered is that there is no physical serial number list (At least that we have seen or heard of), which makes tracking the machines very difficult. Please let us know if your client has additional information.

Thanks,

Zach Williams

Associate

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(702) 699-5917 - Office

(702) 597-5503 - fax

ZWilliams@foxrothschild.com

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From: Higgins, Mason A (21705) <mahiggins@michaelbest.com>
Sent: June 20, 2023 2:45 PM
To: Williams, Zachary <ZWilliams@foxrothschild.com>
Cc: Axelrod, Brett <BAxelrod@foxrothschild.com>; Tanner James <tjames@provincefirm.com>; Daniel Moses <dmoses@provincefirm.com>; Chlum, Patricia M. <pchlum@foxrothschild.com>; Mertz, Justin M (14972) <jmmertz@michaelbest.com>
Subject: [EXT] RE: Cash Cloud Inc. - AvTech Lease

Hi Zach,

Thank you for following up and our apologies for the delay.

Generally speaking, Avtech is amenable to the terms you've outlined below. However, before it is willing to give consent to execute a stipulation, Avtech is asking to see documentation supporting your contention that 111 machines have been lost, cannot be found, or are otherwise unsellable.

Please send me what you have to substantiate this, and I will forward.

Best,

Mason A. Higgins

Associate Attorney

Pronouns: He/Him/His/Himself

T 608.416.1705 | M 608.220.7341

mahiggins@michaelbest.com | [bio](#)



Michael Best & Friedrich LLP · A LexMundi Member

From: Williams, Zachary <ZWilliams@foxrothschild.com>
Sent: Tuesday, June 20, 2023 12:04 PM
To: Mertz, Justin M (14972) <jmmertz@michaelbest.com>
Cc: Higgins, Mason A (21705) <mahiggins@michaelbest.com>; Axelrod, Brett <BAxelrod@foxrothschild.com>; Tanner James <tjames@provincefirm.com>; Daniel Moses <dmoses@provincefirm.com>; Chlum, Patricia M. <pchlum@foxrothschild.com>
Subject: RE: Cash Cloud Inc. - AvTech Lease

Hi Justin and Mason,

Just following up on this.

Thanks,

Zach Williams

Associate

Fox Rothschild LLP

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ZWilliams@foxrothschild.com
www.foxrothschild.com

From: Williams, Zachary
Sent: June 16, 2023 4:22 PM
To: Mertz, Justin M (14972) <jmmertz@michaelbest.com>
Cc: Higgins, Mason A (21705) <mahiggins@michaelbest.com>; Axelrod, Brett <BAxelrod@foxrothschild.com>; Tanner James <tjames@provincefirm.com>; Daniel Moses <dmoses@provincefirm.com>; Chlum, Patricia M. <pchlum@foxrothschild.com>
Subject: RE: Cash Cloud Inc. - AvTech Lease

Justin and Mason,

We are going to prepare a stipulation outlining the terms of what has been discussed this week. Can you please confirm the below terms reflect the understanding between our clients:

- AVT NV consents to allow Debtor to include AVT machines in its sale to Heller Capital, and agrees that it will not sell its claim or assign its interests in the Master Agreement between the parties to any other party, unless that party also provides consent to have the machines included in the sale to Heller Capital
- Prior to the Sale Hearing, AVT and Debtor will determine, and mutually agree upon, the total number of warehoused and deployed machines in existence
- AVT NV will receive proceeds from the sale, according to its lien priority, for its machines at a blended rate of approximately \$700 (depending on final count of warehoused and deployed machines). AVT NV will get a full disclosure and breakdown of the sale proceeds analysis upon agreement of the total number of machines.
- Proceeds from the sale will be provided in satisfaction of the secured portion of the AVT NV claim like all of the other secured creditors, with the balance becoming an unsecured claim, again like the other unsecured creditors.

Please send me an email back with anything im missing and confirming that these are the agreed upon and acceptable terms of the deal.

Thanks,

Zach Williams

Associate

Fox Rothschild LLP

One Summerlin
1980 Festival Plaza Drive, Suite 700
Las Vegas, NV 89135
(702) 427-2975 - Cell
(702) 699-5917 - Office
(702) 597-5503 - fax
ZWilliams@foxrothschild.com
www.foxrothschild.com

From: Mertz, Justin M (14972) <jmmertz@michaelbest.com>
Sent: June 14, 2023 1:31 PM
To: Williams, Zachary <ZWilliams@foxrothschild.com>
Cc: Higgins, Mason A (21705) <mahiggins@michaelbest.com>; Axelrod, Brett <BAxelrod@foxrothschild.com>
Subject: [EXT] Re: Cash Cloud Inc. - AvTech Lease

We are trying to connect with AVT on this. I'm also OOO, so please work with Mason Higgins today on this.

Justin Mertz
Partner
Michael Best & Friedrich LLP
414.225.4972

On Jun 14, 2023, at 13:08, Williams, Zachary <ZWilliams@foxrothschild.com> wrote:

Justin we are rapidly trying to close the sale today. Do you have time for a call to discuss? The way the sale proceeds are shaking out, AvTech would receive roughly 340k for its 483 machines (this is our count). That translates to roughly \$703 per machine. We have 0 ability to affect these numbers as the purchase price is already agreed to. Let me know if you have any time this afternoon to discuss.

If this works for your client please let us know today, and file a revised proof of claim indicating your secured status.

Thanks,

Zach Williams
Associate
Fox Rothschild LLP
One Summerlin
1980 Festival Plaza Drive, Suite 700
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(702) 427-2975 - Cell
(702) 699-5917 - Office
(702) 597-5503 - fax
ZWilliams@foxrothschild.com
www.foxrothschild.com

From: Mertz, Justin M (14972) <jmmertz@michaelbest.com>
Sent: June 12, 2023 10:22 AM
To: Williams, Zachary <ZWilliams@foxrothschild.com>
Cc: Higgins, Mason A (21705) <mahiggins@michaelbest.com>
Subject: [EXT] RE: Cash Cloud Inc. - AvTech Lease

Zach -

Can you provide an update from your side on a proposal?

Justin M. Mertz
Partner

Sub-Group Leader, Bankruptcy
T 414.225.4972 | M 414.477.7861
jmmertz@michaelbest.com | bio

<image001.png>

<image002.png>

• A [LexMundi](#) Member
Michael Best & Friedrich LLP

From: Williams, Zachary <ZWilliams@foxrothschild.com>
Sent: Tuesday, June 6, 2023 2:17 PM
To: Mertz, Justin M (14972) <jmmertz@michaelbest.com>
Subject: RE: Cash Cloud Inc. - AvTech Lease

Are you available for a quick call to discuss?

Zach Williams

Associate

Fox Rothschild LLP

One Summerlin

1980 Festival Plaza Drive, Suite 700

Las Vegas, NV 89135

(702) 427-2975 - Cell

(702) 699-5917 - Office

(702) 597-5503 - fax

ZWilliams@foxrothschild.com

www.foxrothschild.com

From: Mertz, Justin M (14972) <jmmertz@michaelbest.com>
Sent: June 6, 2023 11:50 AM
To: Williams, Zachary <ZWilliams@foxrothschild.com>
Subject: [EXT] RE: Cash Cloud Inc. - AvTech Lease

Ok. And, for clarity, the sale does not currently include any of the AVT leased equipment? Instead, the debtor is proposing to broker the sale of the 594 AVT units to the same buyer, and that potential price would be in addition to the \$4.2M, correct?

Justin M. Mertz

Partner

Sub-Group Leader, Bankruptcy

T 414.225.4972 | M 414.477.7861

jmmertz@michaelbest.com | bio

<image001.png>

<image002.png>

• A [LexMundi](#) Member
Michael Best & Friedrich LLP

From: Williams, Zachary <ZWilliams@foxrothschild.com>
Sent: Tuesday, June 6, 2023 1:47 PM
To: Mertz, Justin M (14972) <jmmertz@michaelbest.com>
Subject: RE: Cash Cloud Inc. - AvTech Lease

The APAs will not be done for a couple of days. They will be a straight cash deal, as is where is, on the machine side for \$4.2mm. About \$750,000 for machines not currently deployed, with the remainder being for the machines that are deployed. All in all, it's a blended rate of about \$650 per machine.

Thanks,

Zach Williams

Associate

Fox Rothschild LLP

One Summerlin

1980 Festival Plaza Drive, Suite 700

Las Vegas, NV 89135

(702) 427-2975 - Cell

(702) 699-5917 - Office

(702) 597-5503 - fax

ZWilliams@foxrothschild.com

www.foxrothschild.com

From: Mertz, Justin M (14972) <jmmertz@michaelbest.com>
Sent: June 6, 2023 11:44 AM
To: Williams, Zachary <ZWilliams@foxrothschild.com>
Subject: [EXT] RE: Cash Cloud Inc. - AvTech Lease

Zach -

Can you provide the APA for the winning bidder? I don't see that on the docket. Thanks.

Justin M. Mertz

Partner

Sub-Group Leader, Bankruptcy

T 414.225.4972 | M 414.477.7861

jmmertz@michaelbest.com | bio

<image001.png>

<image002.png>

• A [LexMundi](#) Member
Michael Best & Friedrich LLP

From: Williams, Zachary <ZWilliams@foxrothschild.com>
Sent: Sunday, June 4, 2023 3:49 PM
To: Mertz, Justin M (14972) <jmmertz@michaelbest.com>
Cc: Axelrod, Brett <BAxelrod@foxrothschild.com>; Tanner James <tjames@provincefirm.com>; Daniel

Moses <dmoses@provincefirm.com>; Noll, Audrey <anoll@foxrothschild.com>; Chlum, Patricia M. <pchlum@foxrothschild.com>

Subject: Cash Cloud Inc. - AvTech Lease

Hi Justin,

As you may know, Cash Cloud conducted an auction this past Friday and selected a winning bid proposing to purchase all DCMs. Do you have availability tomorrow to discuss the AvTech lease and machines?

I have availability at 10:00 or 11:00 am PST, or any time after 1:00 pm PST.

Thanks,

Zach Williams

Associate

Fox Rothschild LLP

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EXHIBIT F

Higgins, Mason A (21705)

From: Ted Burr <Ted@MacRestructuring.com>
Sent: Tuesday, June 27, 2023 1:55 PM
To: Higgins, Mason A (21705)
Cc: Mertz, Justin M (14972)
Subject: RE: Cash Cloud / AVT

Hello Mason,

I was able to get my client to increase their bid, but the uncertainty of the number of units is of concern. Hopefully, it is more of a bookkeeping error rather than missing machines. So, my client is willing to offer \$450,000 for at least 594 machines which is \$757.58 per machine. And if there are less than 594 machines, then the purchase price would be reduced by \$748 per machine.

Would that work?

Ted Burr
Mac Restructuring Advisors, LLC
Managing Director
602.418.2906
Ted@MacRestructuring.com

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From: Higgins, Mason A (21705) <mahiggins@michaelbest.com>
Sent: Monday, June 26, 2023 3:35 PM
To: Ted Burr <Ted@MacRestructuring.com>
Cc: Mertz, Justin M (14972) <jmmertz@michaelbest.com>
Subject: Cash Cloud / AVT

Hi Ted,

I was able to get you a substantive response sooner than I expected. Apologies again for the delay. We've been tied up in discussions with the Debtor.

Thus far, Cash Cloud has only been able to locate 483 of AVT's machines. Our records support that AVT owns 594 BTMs and the Debtor has not been able to explain or justify this discrepancy.

That being said, our discussions with the Debtor are in the ballpark of \$450k to satisfy AVT's claim.

Please discuss with your client and advise whether (1) your client is still interested in purchasing AVT's claim given the discrepancy mentioned above, and (2) whether your client will increase its offer to compete with the \$450k figure AVT and the Debtor are contemplating.

If we reach an agreement to assign AVT's claim to your client, we would supply documentation supporting our claim and position that AVT owns 594 units. But we would be careful and would want language included in the assignment that AVT is making no representation as to whether the Debtor has lost any of AVT's units.

Thank you,

Mason A. Higgins

Associate Attorney

Pronouns: He/Him/His/Himself

T 608.416.1705 | M 608.220.7341

mahiggins@michaelbest.com | [bio](#)



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